

BILL ANALYSIS

Senate Research Center
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S.B. 1795
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Corporate Practice of Medicine generally restricts the direct employment of physicians by non-physician entities. It is unclear, however, as to how this applies to certain government entities. Current law allows nonprofit medical schools, federally qualified health centers, and certain nonprofit corporations to employ physicians. Moreover, legislation passed during the 81st Legislature provided that the Dallas County Hospital District could engage in direct employment of physicians.

S.B. 1795 clarifies the ability of the Harris County Hospital District (HCHD) and the Harris County Sheriff's Office (HCSO) to directly employ physicians. The bill provides that the board of the HCHD may appoint, contract for, or employ physicians as the board considers necessary for the efficient operation of the district. S.B. 1795 provides that the commissioners court of Harris County may appoint, contract for, and employ physicians to provide health care services to inmates in the custody of the sheriff. The alternative to directly hiring physicians would be to create a 501(a) physician corporation that would contract with HCHD and HCSO for the provision of physician services. This, however, would cost taxpayers millions of dollars in duplicative administration costs.

S.B. 1795 specifies that the new provision may not be construed as authorizing the board of HCHD or the commissioners court to supervise or control the practice of medicine.

As proposed, S.B. 1795 amends current law relating to the authority of certain local governmental entities in certain populous counties to appoint, contract for, or employ physicians.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.0283, as follows:

Sec. 281.0283. HARRIS COUNTY HOSPITAL DISTRICT; EMPLOYMENT OF PHYSICIANS. (a) Authorizes the board of the Harris County Hospital District (district) to appoint, contract for, or employ physicians as the board considers necessary for the efficient operation of the district.

(b) Prohibits the term of an employment contract entered into under this section from exceeding four years.

(c) Provides that a physician employed by the district under this section is subject to the same standards and procedures regarding credentialing, peer review, quality of care, and privileges as a physician not employed by the district.

(d) Prohibits this section from being construed as authorizing the board of the district to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

SECTION 2. Amends Subchapter C, Chapter 351, Local Government Code, by adding Section 351.045, as follows:

Sec. 351.045. HEALTH CARE SERVICES IN CERTAIN COUNTIES; EMPLOYMENT OF PHYSICIANS. (a) Authorizes the commissioners court of a county with a population of 3.3 million or more to appoint, contract for, or employ physicians to provide health care services to inmates in the custody of the sheriff.

(b) Prohibits this section from being construed as authorizing the commissioners court to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

SECTION 3. Effective date: upon passage or September 1, 2011.